GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3502
ANSWERED ON:07.09.2007
THREE TIER CREDIT FLOW FOR MICRO CREDIT
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Will the Minister of FINANCE be pleased to state:

(a) whether National Bank for Agriculture and Rural Development (NABARD) is in favour of a three tier credit flow to the rural areas with focus on micro credit; and

(b) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) 8b (b): National Bank for Agriculture and Rural Development (NABARD) has not suggested any particular type of credit structure. Hence, no specialized structure has been created for the flow of micro- credit.

The existing credit structure in rural areas consists of Commercial Banks with their rural branches, Regional Rural Banks located at District Head Quarters with their presence in rural areas and Cooperative banks comprising of State Cooperative Banks, District Central Cooperative Banks and Primary Agriculture Credit Societies (PACS) at State, District and Village level respectively.

Similarly, State Cooperative Agriculture and Rural Development Banks (SCARDBs) and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) are mostly operating in a federal structure with their respective offices at State, District and Sub-divisional level. However, some of the SCARDBs are functioning as unitary structure operating through their branches at the State, District/Sub-divisional level.